

Assembly Bill No. 3030

CHAPTER 1159

An act to add Sections 1281.84 and 1287.1 to the Code of Civil Procedure, relating to arbitration.

[Approved by Governor September 30, 2002. Filed with Secretary of State September 30, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 3030, Corbett. Arbitration.

(1) Existing law permits consumers to contract to arbitrate and regulates the conduct of arbitrations.

This bill would provide that a private arbitration company or self-regulatory organization (SRO) that administers a consumer arbitration in violation of specified provisions of law shall, in the court's discretion, be subject to disgorgement of any administrative fee obtained as a result of that violation.

(2) Existing law requires a court to vacate an arbitration award under specified circumstances.

This bill would prohibit an arbitrator or private arbitration company involved in a consumer arbitration from conducting or administering further arbitration of the dispute if a court vacates the award, unless the consumer party elects otherwise in writing prior to any re-arbitration of the matter.

(3) This bill would provide that it shall become operative only if it and Assembly Bills 2574, 2915, and 3029 are enacted and become effective on or before January 1, 2003.

The people of the State of California do enact as follows:

SECTION 1. Section 1281.84 is added to the Code of Civil Procedure, to read:

1281.84. Any private arbitration company or self-regulatory organization (SRO) that administers a consumer arbitration in violation of Section 1281.6, 1281.81, 1281.82, 1281.92, or 1284.3 shall be subject, at the discretion of the court, to disgorgement of any administrative fee obtained as a result of the violation of these sections.

SEC. 2. Section 1287.1 is added to the Code of Civil Procedure, to read:

1287.1. If a court vacates an award in a consumer arbitration, an arbitrator or private arbitration company involved in the arbitration may



not conduct or administer any further arbitration of the dispute, unless the consumer party so elects in writing prior to any rearbitration of the matter.

SEC. 3. This act shall become operative only if this bill and Assembly Bills 2574, 2915, and 3029 are enacted and become effective on or before January 1, 2003.

